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BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268–0001

May 8 4 26 PM '00

POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY UPS/USPS-36

The United States Postal Service hereby provides its response to the following interrogatory of United Parcel Service filed on April 24, 2000: UPS/USPS-36.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Michael T. Tidwell

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2998 Fax –5402 May 8, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-36. Refer to the response to Presiding Officer's Information Request No. 6, Question 9, filed April 14, 2000. That question requested information on the extent to which First Class Mail was delivered as fast or faster than Priority Mail for any of the 85 performance clusters in the PETE system and asked for a detailed explanation of how the analysis was performed. The response contains a table that purports to compare "destination cluster performance in EXFC and PETE for overnight committed Priority Mail." It does not explain how the analysis was done or how "destination cluster performance" was measured or what that means.

- (a) Explain what "destination cluster performance" means and how it was measured.
- (b) What was the test for determining whether performance was better in EXFC or in PETE?
- (c) Did the determination of whether performance was "better" depend on the extent to which the mail involved met its stated service standard, or whether EXFC MAIL arrived faster in terms of days from collection to delivery than PETE mail or vice versa, without regard to the stated service standard?
- (d) Provide the results of the requested comparison for all EXFC and PETE mail, not just for "overnight committed Priority Mail."

RESPONSE:

- a. Destination cluster performance is service performance from all origins to a specific destination performance cluster area.
- b. Service performance is the percentage of volume delivered on or before the committed delivery date. Comparisons were within service commitment (overnight) originating from or destinating to three-digit ZIP Code areas common to both EXFC and PETE
- c. Performance is measured with respect to achieving the service standard, not average days to deliver.

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d. As indicated in the response to Presiding Officers' Information Request No. 6, Question 10, the First-Class Mail and Priority Mail overnight service standard areas are usually the same. However, the two-day Priority Mail service standard (780,514 three-digit ZIP Code pairs) covers a broader area than the two-day First-Class Mail service standard (157,081 three-digit ZIP Code pairs). Therefore, a comparison of EXFC and PETE for two-day committed mail is not meaningful because it would match performance between shorter distance, First-Class Mail network legs with longer distance, Priority Mail legs. PETE does not measure any three-day committed Priority network legs, therefore, a comparison of three-day committed mail using EXFC and PETE data cannot be performed.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Michael T. Tidwell

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